



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

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AGENDA WITH ANALYSIS

**NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
Wednesday, August 4, 2010**

The **STATE PUBLIC WORKS BOARD** will meet on
**Wednesday, 2010, at 10:00 a.m. in Room 113, State
Capitol, Sacramento, California.**

In accordance with provisions of Section 11125 of the
Government Code, a copy of the Agenda is attached.

Greg Rogers
Administrative Secretary

Attachment

STATE PUBLIC WORKS BOARD

Wednesday, August 4, 2010

10:00 a.m.

Room 113

State Capitol

Sacramento, California

I. Roll Call

Ana J. Matosantos Director, Department of Finance
Ronald Diedrich, Acting Director, Department of General Services
Cindy McKim, Director, Department of Transportation
John Chiang, State Controller
Bill Lockyer, State Treasurer

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Ms. Pam Harris, Director, Employment Development Department
(Advisory Member)

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Assembly Member, Mike Eng, Legislative Advisor
Assembly Member, Mary Hayashi, Legislative Advisor
Assembly Member, Sandre Swanson, Legislative Advisor
Senator, Mark J. DeSaulnier, Legislative Advisor
Senator, Denise Ducheny, Legislative Advisor
Senator, Vacant, Legislative Advisor

II. Action Items

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III. Other Business

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ACTION ITEMS

ACTION ITEM—1

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
SAN BERNARDINO REENTRY FACILITY (APPLE VALLEY SITE)
SAN BERNARDINO COUNTY
CDCR 502, DGS Parcel Number 10545

Authority: Sections 15819.40(c) and (d) and 15819.401 – 15819.404 of the Government Code Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 5225-301-0001 (2), as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session

Consider:

- a. amending prior site selection action taken January 13, 2009
- b. authorizing CDCR's execution of an irrevocable option agreement to purchase and sell real property with the County of San Bernardino

ACTION ITEMS

STAFF ANALYSIS ITEM—1

Department of General Services
Department of Corrections and Rehabilitation
San Bernardino Reentry Facility (Apple Valley Site)
San Bernardino County

Action Requested

If approved, the requested action would amend a prior site selection action taken January 13, 2009 and authorize the Department of Corrections and Rehabilitation's (CDCR) execution of an irrevocable option agreement to purchase and sell real property with the County of San Bernardino.

Scope Description

This project is within scope. The Public Safety and Offender Rehabilitation Services Act of 2007 (AB 900), as amended, authorizes site acquisition, design, and construction of reentry program facilities throughout the state (Reentry Program). In a site selection agenda item brought before the State Public Works Board (Board) in January 2009, staff noted the Reentry Program was out of scope as CDCR estimates current available funding will produce significantly fewer reentry beds than was originally intended in AB 900. As a result, legislative amendments were required to bring the entire Reentry Program within scope and cost.

Legislative amendments were enacted in February 2009, which, among other things, brought the Reentry Program in scope. Phase one of the Reentry Program originally authorized facilities to provide housing for 6,000 inmates, now, as amended, facilities to provide housing for “up to” 6,000 inmates are authorized.

The Board authorized site selection for 15 acres of the proposed subject site in January 2009. During the post site selection due diligence period, it was determined that the site required expansion to approximately 22 acres to accommodate development requirements, specifically a drainage detention pond, a drainage channel, and access improvements along Morrow Road and Rubicon Street. The current requested action would amend the Board’s prior site selection to incorporate the additional seven acres into the selected site.

The revised site is 22+/- unimproved acres (Property) and would be used to construct a new 500-bed Secure Community Reentry Facility (SCRF) and associated improvements. The property, owned by San Bernardino County, is situated on Morrow Road adjacent to the High Desert Juvenile Detention Facility on Dale Evans Parkway in the community of Apple Valley.

Irrevocable Option Agreement to Purchase and Sell Real Property

The requested action would also authorize CDCR to execute an irrevocable option agreement to purchase and sell real property (and escrow instructions) with the County of San Bernardino (Option Agreement). The cost for the option is \$100.00 and the Option Agreement identifies a purchase price of \$336,440.00 for the Property. The Option Agreement serves as a framework for the potential acquisition of the Property if after further investigation CDCR is able to determine in its discretion that the Property is a “buildable site”. Buildable site as defined in the Option Agreement means the Property is suitable for acquisition, construction, establishment, and operation of a SCRF. The term of the Option Agreement commences on the date it is authorized and signed by the Board and expires upon the earlier of: (1) July 12, 2014, (2) the date of close of escrow, or (3) the CDCR’s earlier termination, which CDCR may do at any time by providing written notice to the county. During the term of the Option Agreement CDCR will continue to evaluate the suitability of the Property including completion of real estate due diligence and performance of the California Environmental Quality Act (CEQA) for the proposed acquisition and construction of the SCRF.

It is anticipated that CDCR will come forward and seek Board establishment of project scope, cost, and schedule for the proposed SCRF in the near future, following a 30 day notification period to the Legislature, as required by law. During the preliminary plans phase CDCR will conduct further investigation of the Property, including completion of CEQA. An exercise of the option to acquire the Property under the Option Agreement will require an additional approval action by this Board. If the option to acquire is exercised it is anticipated this will be timed so that it occurs just prior to commencement of construction. If further investigation of the Property (including completion of CEQA) do not result in positive findings, it may be necessary to identify other sites for the proposed SCRF.

Funding and Cost Verification

Sections 15819.40(b) and 15819.401 – 15819.404 of the Government Code authorize \$975 million of lease revenue bond financing authority for land acquisition, design and construction of reentry program facilities.

CEQA

In accordance with the CEQA (sections 21000 – 21177 of the Public Resources Code), CDCR, acting as lead agency, will undertake the preparation of an Initial Study to determine the appropriate level of CEQA review required and will be responsible for completing CEQA on the selected site.

Condition of Property

On September 11, 2008, staff from the Department of General Services (DGS), Environmental Services Section (ESS) conducted a site visit to assess the general condition of approximately 22 unimproved acres located on Morrow Road east of Dale Evans Parkway in the community of Apple Valley. The County of San Bernardino High Desert Juvenile Detention and Assessment Center is located to the immediate west of the subject property. Topography is relatively flat with a slight downgrade from the northeast corner to the southwest. The ground is rocky/sandy loam soil with scattered scrub vegetation. DGS, ESS staff observed at least three dried surface drainage courses that traversed the subject property. These earthen channels were less than four inches deep and two feet wide. There is no evidence of ditches or canals on the subject property.

The property is surrounded primarily by unimproved land and rural residential sites. No potentially adverse environmental conditions were observed by DGS, ESS staff on their September 2008 site visit. A June 2010 Phase I Environmental Site Assessment identified no Recognized Environmental Conditions in connection with the subject property. Therefore, DGS, ESS does not consider a second site visit to be necessary at this time. No further action is recommended.

Real Estate Due Diligence

Preliminary real estate due diligence conducted by CDCR staff has been reviewed by DGS. At this time, no significant issues were noted. Further due diligence will be conducted during the term of the Option Agreement.

Project Schedule

Estimated close of escrow	June 2012
Approve preliminary plans	September 2011
Complete working drawings	June 2012
Complete construction	December 2014

Other

- The proposed site meets CDCR's size, location, and compatibility requirements.
- The purchase price shall not exceed the estimated fair market value as indicated in a DGS approved appraisal.
- DGS reviewed a preliminary title report for the proposed subject property. No recorded title exceptions against the property were found that would negatively impact the proposed use of the property.
- The county and the state have entered into a Memorandum of Understanding memorializing their agreements (should the option be exercised and the Property acquired) relating to water infrastructure improvements and certain road improvements.
- There are no historic issues, implied dedication, or relocation assistance involved with this project.

Staff Recommendation: **Amend prior site selection action taken January 13, 2009, and authorize CDCR's execution of an irrevocable option agreement to purchase and sell real property with the County of San Bernardino.**

OTHER BUSINESS

NONE